MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2018/2019

BIM 2094 – INTERNATIONAL MANAGEMENT

(All Sections / Groups)

19 OCTOBER 2018
3.00 p.m. – 5.00 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 4 pages with **THREE** (3) questions only.
2. Attempt **ALL** the questions. The distribution of the marks for each question is provided.
3. Please write all your answers in the answer booklet provided.

SECTION A: ANSWER ALL QUESTIONS

QUESTION 1

Ciro is a Swiss event manager working for an important international hotel chain. After working in Switzerland for over ten years with great success, his company moved him to Egypt, as responsible for events in their resort on the red sea. No specific instruction was given to him regarding how to manage the intercultural differences he would necessarily encounter. And indeed he did. His new boss was Swiss, but all of his subordinates and most of his peers, Egyptians.

One of the first things that struck him in his new work environment was how his Egyptian peers treated their subordinates. Orders were given in a very unfriendly manner, and if the work was not completed in an adequate way they would shout and threaten the neglectful.

Ciro was well known in Switzerland for being a very gentle and polite boss, his subordinates most appreciated his relational qualities, the way he treated them as equals and how he always took into consideration their ideas and remarks.

He talked about his perplexities with his Swiss ethnocentric boss, who simply replied: "Egyptians are lazy if you don't treat them this way they will not work". Unhappy with this answer, Ciro decided to try out his usual egalitarian management style in Egypt. He then held his first meeting with his direct reports and asked them to express the ideas they had about possible events to organise in the next future, but everybody kept silent. When he finally came up with a banal idea, everybody supported it without further discussion. This meeting model repeated itself, again and again; nobody ever seems to have initiative.

Despite his discouragement, Ciro had friendly manners with his subordinates and once he dispatched the work he didn't continuously check it up, convinced that personal responsibility would be sufficient.

He soon realised that work wasn't completed, that his friendly manners were interpreted as weakness and that he was the one expected to have ideas, as he was the boss. Ciro finally understood the importance and the extent of cultural differences existing between Egypt and Switzerland.

Source: *Managing Diversity.* (n.d.). Retrieved July 4, 2018, from http://www.mic.usi.ch/managing-diversity-cs-en

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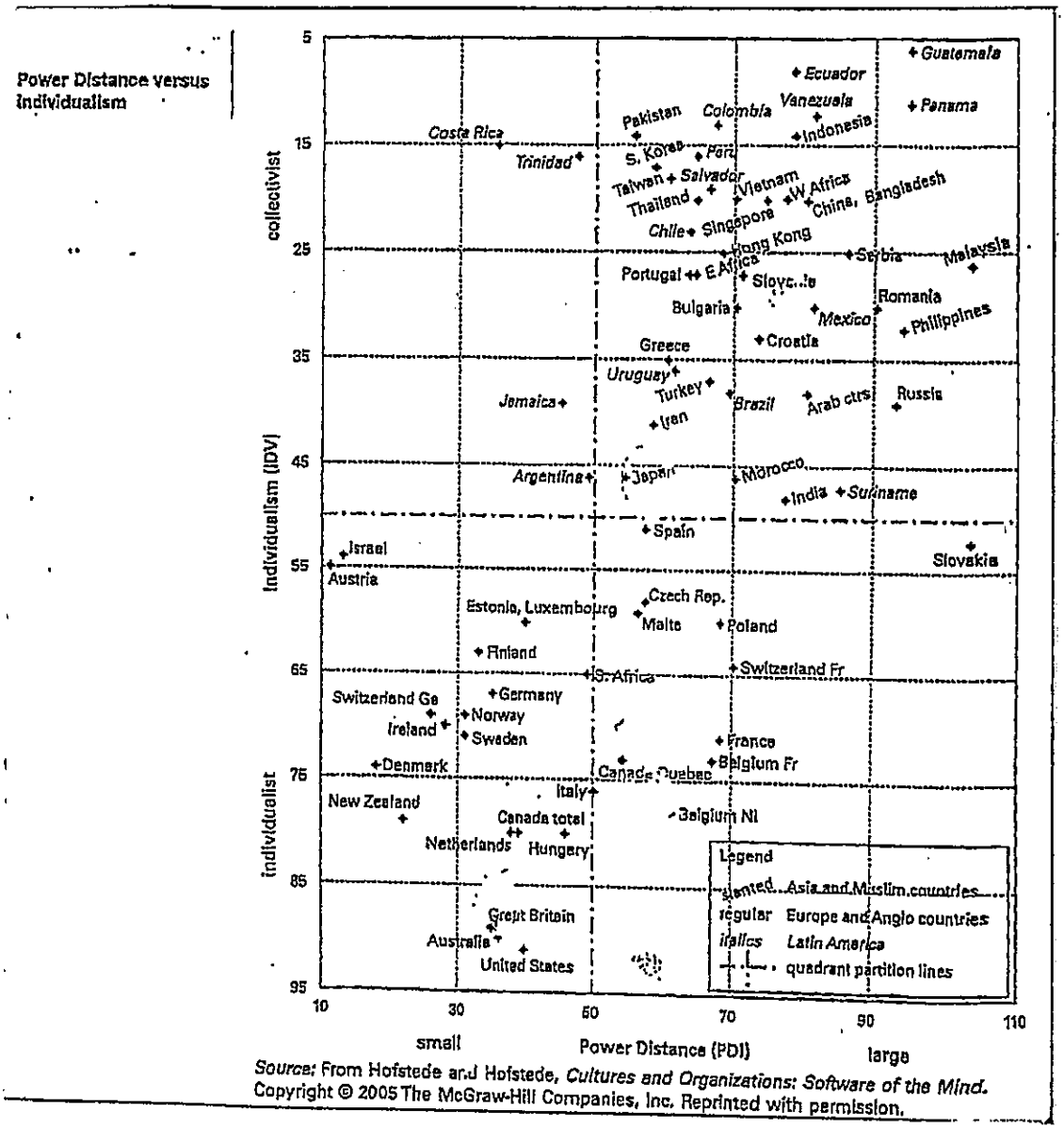
Figure1: Hofstede's Cultural Dimension Score Sheet



Source: From Hofstede and Hofstede, *Cultures and Organizations: Software of the Mind.* Copyright © 2005 The McGraw-Hill Companies, Inc. Reprinted with permission.

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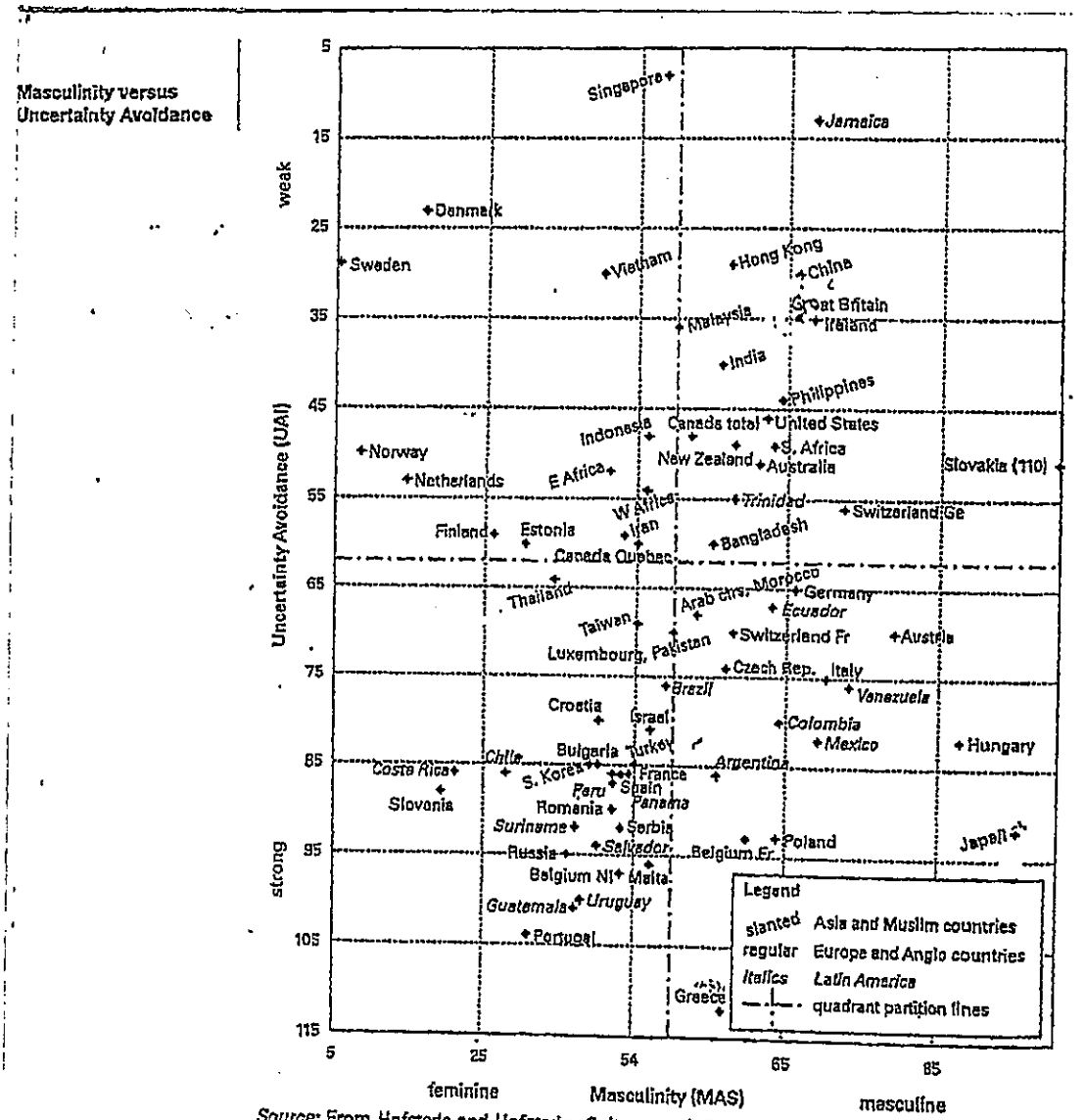
Figure2: Hofstede's Cultural Dimension Score Sheet



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a) Using Hofstede's cultural dimensions score sheets in Figure 1 and Figure 2 as a point of reference, what are the **FOUR(4)** cultural differences between Switzerland and Egypt? (20 marks)

b) Discuss **FOUR (4)** types of verbal communication styles that Ciro can use to communicate effectively with the Egyptians. (20 marks)

c) Explain the type of organizational culture that this group of Egyptians belongs to. (10 marks)

[Total: 50 marks]

SECTION B: ANSWER ALL QUESTIONS

QUESTION 1

a) Once the MNC has selected the country in which to locate, the firm must choose the specific locale. What are the local issues that might concern the MNC? Discuss **THREE (3)** factors that might influence the choice. (9 marks)

b) A number of factors influence international managers' conclusions about retaining authority or delegating decision making to a subsidiary. Discuss **FOUR (4)** factors that influence centralization or decentralization of decision making in subsidiary operations. (16 marks)

[Total: 25 marks]

QUESTION 2

a) MNCs typically turn to global structural arrangements when they begin acquiring and allocating their resources based on international opportunities and threats. Global structures come in three common types: product, area and functional. Explain each of the structures and illustrate the answer with a diagram. (15 marks)

b) Many companies that say that they want their people to have international experience often seem unsure of what to do with these managers when they return. Suggest **FIVE (5)** ways of transition strategies that can be used to help smooth the adjustment from an overseas to a stateside assignment. (10 marks)

[Total: 25 marks]

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